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Message Text

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10
ORIGIN AF-18

INFO OCT-01 EUR-25 ISO-00 EB-11 TRSE-00 OPIC-12 SS-20

AID-20 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 RSC-01

XMB-07 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 L-03 FTC-01

H-03 NSC-10 /157 R

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---------- 063983
R 2,2348Z FEB 74
FM SECSTATE WASHDC
TO AMEMBASSY LOME
INFO AMEMBASSY PARIS

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E.O. 11652: N/A
TAGS: EFIN, EAID, EMIN, PFOR, TO
SUBJECT: NATIONALIZATION OF CTMB
REF: A. STATE 032137, B. LOME 0338

1. BLACKWOOD HAS INFORMED DEPARTMENT COMPENSATION NEGO-
TIATIONS BETWEEN GOT AND CTMB DEADLOCKED AT FIVE BILLION
CFA FIGURE, WHICH TOGOLESE SAID WAS AS HIGH AS THEY WOULD
GO AND CTMB SAID WAS TOO LOW. BLACKWOOD SAID GRACE FEELS
THIS FIGURE UNREASONABLY LOW.

2. AFTER CONCLUSION FORMAL TALKS WITH TOGOLESE, FRENCH
PARTNERS PROPOSED TO ASSOR, WHO TOGETHER WITH KODJO AND
MIVEDOR HAD BEEN MEMBER TOGOLESE NEGOTIATING TEAM, SETTLE-
MENT CALLING FOR IMMEDIATE SIX BILLION CFA PAYMENT, WITH
ADDITIONAL 6 BILLION CFA PAYMENT TO TAKE FORM DELIVERY OF
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450,000 METRIC TONS PHOSPHATE SPREAD OVER THREE YEAR PERIOD. ASSOR REPLIED KODJO AND MIVEDOR WERE BEING UNREASONABLE, THAT HE FELT FRENCH PARTNERS' PROPOSAL WAS JUST, AND THAT HE WOULD RECOMMEND ITS TERMS TO EYADEMA. ASSOR SCHEDULED MEET WITH CTMB NEGOTIATORS IN PARIS MARCH 1 TO INFORM THEM OF EYADEMA'S REACTION.

3. IF EYADEMA ACCEPTS FRENCH PARTNERS' PROPOSAL, GRACE WOULD RECEIVE IMMEDIATE PAYMENT OF DLS 9.3 MILLION, PLUS PHOSPHATE DELIVERIES WIT TOTAL VALUE OF DLS 9.5 MILLION OVER NEXT THREE YEARS. GIDE THINKS TOGOLESE WILL BE WILLING SHIP TOTAL ONLY 300,000 METRIC TONS, WITH CONSEQUENT REDUCTION VALUE COMPENSATION RECEIVED BY GRACE AND OTHER CTMB PARTNERS.

4. BLACKWOOD SAID THAT EVEN WITH DELIVERIES AT 300,000 METRIC TON LEVEL, GRACE WOULD ACCEPT SETTLEMENT TERMS PROPOSED BY FRENCH PARTNERS, PROVIDED: 1) OPIC APPROVES SETTLEMENT TERMS; 2) A SETTLEMENT CAN BE SIGNED IN U.S.; AND 3) GOT'S PAYMENT IS CONVERTABLE IMMEDIATELY INTO DOLLARS.

5. OPIC HAS INFORMED GRACE IT WOULD NOT OBJECT TO SETTLEMENT ON THESE TERMS, PROVIDED COMPENSATION DUE GRACE INDEED WILL BE CONVERTABLE IMMEDIATELY AT RATE NO LESS FAVORABLE THAN 251 CFA TO DOLLAR.

6. GIDE HAS REPORTED TO BLACKWOOD THAT GOT HAS AGREED EXEMPT GRACE'S FRENCH SUBSIDIARY FROM PREPAYMENT REQUIREMENT BEING STRICTLY ENFORCED WITH OTHER EUROPEAN CUSTOMERS, AND GRACE SUBSIDIARY ALLOWED 45 DAY TERMS, WITH PAYMENT AT 46 DLS PER TON PERMITTED BE MADE BANQUE NATIONAL DE PARIS. GIDE SAYS TRUCULENT A TITUDE OTHER CUS OMERS HAS ANTAGONIZED GOT ATTITUDE TOWARD THEM, AND THAT KODJO SUSPENDED LOADING ONE VESSEL UNDER CHARTER TO EUROPEANS UNTIL PRE-PAYMENT ARRANGED. CASEY

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